

1.95
M513

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SECURITY ADMINISTRATION
WASHINGTON

September 9, 1941

Reserve

To: Chairmen, State Agricultural Planning Committees.

It has been very interesting to note the recommendations of the State Agricultural Planning Committees in their reports on unified agricultural programs to aid in defense and meet the impacts of war. We have been particularly interested in those recommendations which involve the activities of the Farm Security Administration.

Your Committees have given careful consideration to the problems which concern our agricultural communities. To the extent that your recommendations can be carried out they will do much to further rural progress, aid in National Defense, and insure economic and social security for the American farmer. The Farm Security Administration is giving careful consideration to the recommendations which you made and we shall comment briefly on some of these, indicating what we are in a position to do or what we may be unable to do with the funds and authorization we now have. We shall also offer some suggestions as to how your Committees can be of further assistance.

We were particularly interested to note the large number of recommendations coming from state committees designed to support and strengthen the position of the family type farm. The committees in general have endorsed the family type farm as a desirable institution of American agriculture and have made numerous recommendations in regard to what might be done to encourage this type of agricultural pattern. These recommendations are in accord with one of the major objectives of the Farm Security Administration.

Specifically, we note recommendations that the Tenant Purchase program be expanded; that the Farm Security Administration acquire large farms and break them down into family type farms; that we expand our special real estate loan program; that we give special attention to new land settlement areas - suggesting the purchase of such land to be subdivided into family type units, or finance the development of such land so that it would be developed along sound lines; that we acquire land in high cost and high hazard areas and develop the land for the purpose for which it is best suited; and that we finance enlargement of land holdings which are too small for economic farm units.

1941
1.13

MAR 8 1941

In one form or another the Farm Security Administration has programs involved in all of these recommendations. Our Tenant Purchase program of course is limited by funds available and until additional funds are provided we are unable to expand this program. The Farm Security Administration does not have authority to acquire land for subdivision out of funds which are now available except in the Wheeler-Case program, but we are making loans to Relocation Corporations to purchase land to assist those families who are being displaced by defense operations. Special real estate loans are now confined to special areas which have been approved for this purpose, and we expect to increase the areas in which such loans can be made. However, because of funds available it is necessary to confine both of these programs to limited areas where the need for this kind of financing is greatest. The special real estate loans are used particularly to finance the proper development of land now owned by the borrower or for increasing the size of the holdings in order to give economic sized units. In some areas the Tenant Purchase program has been used as a means of subdividing large tracts of land into family sized units.

We do not now have authority or funds for the extensive acquisition and development of land of high cost and high hazard areas but we are attempting to use other means of assisting in the reorganization of agriculture in those areas along sound lines. In the Great Plains area for instance, we assist farmers where land has been broken up that can best be devoted to range livestock production, to block out economic sized units through the use of lease contracts. The Farm Security Administration has financed the securing of leases and the building up of suitable foundation herds.

In connection with the Rural Rehabilitation loans we note recommendations on expansion of our standard loan program; on encouraging health, medical and dental care and sanitation; on expansion of cooperative service loans; on the water facilities program and on rural housing. While our Rural Rehabilitation program is limited by available funds, we are definitely making an effort to serve a larger number of farm families, especially those in the lower-income brackets. We feel that in many cases this can be accomplished through more careful supervision, and every effort is being made to provide the supervision required. Special attention is being given to making it possible for recipients of our loans to meet soil conservation practice requirements and also to make repairs and farm improvements that will improve the income and provide better living conditions. This was suggested in some of the recommendations made.

The Farm Security Administration has organized medical health associations in about one-third of the counties in which it operates, and an effort is being made to extend the program to all counties where it is feasible. At the present time these health associations are being confined to providing health services for Farm Security Administration clients. We also have a special program to provide sanitary facilities and this program will be expanded insofar as available funds permit.

In regard to the expansion of cooperative service loans for the joint acquisition and use of labor-saving and mechanized equipment, and other items needed for efficient production by farmers on small and family-type farms, we are at the present time in the process of materially expanding our program in this respect. We are hopeful with some increase in personnel which we are providing that we will be in a better position to service our clients in this regard in line with the recommendations of a number of the committees.

We feel that recommendations which came from some of the committees regarding over-expansion of credit and the making of long-time loans on the basis of present prices are well taken and every effort is being made by the Farm Security Administration to adhere to the policy recommended. We are also giving consideration to the development of a rural housing program and to a rural works program which would logically become a part of a comprehensive post-defense plan. With reference to the recommendations made by several of the committees in regard to land tenure reforms, provisions are being made to give this matter even more attention in the future than it has received in the past.

The recommendations of the State Agricultural Planning Committees have been very encouraging to us and are stimulating us to increase our efforts to serve low-income farm people. It is important, however, that we continue to have the support and advice of these committees. In the case of tenure improvement, for instance, progress depends on a broad understanding of what constitutes a desirable type of landlord-tenant relationship. Planning Committees can be of material help in discussing and making recommendations in this regard, also in encouraging discussions by county committees and in assisting with an educational program. The same can be said regarding cooperative activities.

If we are to accomplish the recommendations of the committees, regarding over-expansion of credit during the emergency period, we need sound thinking on the price situation by people throughout rural areas. In our Tenant Purchase and other land purchase

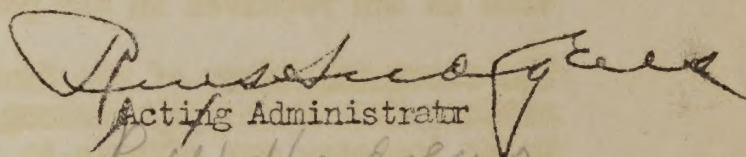
MAR 20 1946

programs we attempt to appraise land on the basis of the long-time earning capacity of the land, as we feel in the long run farm operators will benefit by conservative land prices. We feel this is a matter to which state committees might well give further attention, for unless we have sound thinking on land values in rural areas, the price situation may again get out of control.

The recommendations regarding action that might be taken to support and strengthen the family type farm have been constructive and helpful. However, much more needs to be done if we are to maintain a prosperous rural life built around the family sized farm. We need to know more about what constitutes a satisfactory family sized farm. In connective with the expansion of our Rural Rehabilitation loan program, there are many families who need our assistance but whom we are unable to serve because of lack of land resources or unsatisfactory tenure relationships. These are matters that might well receive further attention by state committees.

The matter of a rural housing and extensive rural works program to be undertaken in the post-defense period is something that needs careful consideration. The Farm Security Administration in several of its programs has provided better housing, but the program in comparison with the needs has been small. Further consideration will be given to this problem by our own organization, but we need the support and advice of your committees in any effort to expand this program.

Sincerely yours,


Acting Administrator
R. W. Hudgens